

J. Joseph Bainton (JB-5934)
BAINTON McCARTHY LLC
Attorneys for Robert B. Nichols and Ellen M. Nichols
26 Broadway, Suite 2400
New York, New York 10004
(212) 480-3500

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

BAYOU GROUP, LLC, et al.,

Debtors.

-----X
BAYOU MANAGEMENT, LLC

Plaintiff,

- against -

ROBERT B. NICHOLS, ELLEN M.
NICHOLS, SAMUEL ISRAEL III, and
JOHN DOES 1-5,

Defendants.
-----X

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
UNITED STATES OF AMERICA,

Plaintiff,

- against -

SAMUEL ISRAEL III,

Defendant.
-----X

ROBERT B. NICHOLS and
ELLEN M. NICHOLS,

Petitioners.
-----X

Chapter 11

Case No.: 06-22306 (ASH)

Jointly Administered

Adv. Proc. No.: 08-08292 (ASH)

(Proceeding No. 2)

05 Cr. 1039 (CM)

(Proceeding No. 1)

**NOTICE OF MOTION OF PETITIONERS-DEFENDANTS ROBERT B.
NICHOLS AND ELLEN M. NICHOLS TO WITHDRAW REFERENCE OF
ADVERSARY PROCEEDING AND CONSOLIDATE
PROCEEDING NOS. 1 AND 2**

Petitioners-Defendants Robert B. Nichols and Ellen M. Nichols hereby respectfully move (a) pursuant to Local Bankruptcy Rule 5011.1 to withdraw the reference to the United States Bankruptcy Court for the Southern District of New York of Proceeding No. 2 upon the grounds that that Article I court cannot conduct a trial by jury and Proceeding No. 2 necessarily involves an issue of law over which the District Court has exclusive jurisdiction in the context of Proceeding No. 1 thus making withdrawal of the reference mandatory, or, at a minimum, plainly in the interest of justice and (b) pursuant to Federal Rule of Civil Procedure 42 and this Court's inherent discretion to manage its docket, to consolidate for all purposes Proceeding Nos. 1 and 2 upon the grounds that they involve exactly the same common nucleus of facts and substantially congruent issues of law.

Dated: New York, New York
June 16, 2006

BAINTON McCARTHY LLC

By: /s/ J. Joseph Bainton
J. Joseph Bainton (JB-5934)
26 Broadway
New York, NY 10004-1840
Telephone: (212) 480-3500
Facsimile: (212) 480-9557